LIBRARY
SUPREME COURT, U. S.

FILED
NOV 25 1966
JOHN F. DAVIS, CLERK

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1966.

No. 796

CRANE BOOM LIFE GUARD CO., INC., MEL EPPERSON, FREDA EPPERSON, C. E. HAILE, PAULINE HAILE, OSRO COBB, C. H. SANSOM and S. A. COFFEY,
Petitioners,

vs.

SAF-T-BOOM CORPORATION, C. H. EARL and ARTHUR J. THOMAS,
Respondents.

PETITION FOR A WRIT OF CERTIORARI

To the United States Court of Appeals for the Eighth Circuit.

OSRO COBB,
Tower Building,
Little Rock, Arkansas,
Counsel for Petitioners.

J. HEISKELL WEATHERFORD, JR.,
1438 Commerce Title Building,
Memphis, Tennessee,
Of Counsel.

ST. LOUIS LAW PRINTING CO., INC., 415 N. Eighth Street. CEntral 1-4477.

INDEX.

	Page
Opinions Below	1
Jurisdiction	2
Questions Presented	2
Statutes Involved	2
Statement of the Case	3
Reasons for Allowance of the Writ	8
Conclusion	21

Appendices.

A—Opinion of Court of Appeals	23
B—Decree Thereon	32
C—Consent Decree in District Court	33
D—District Court Opinion	35
E—Supplemental Decree, District Court	43

Cases Cited.

Addressograph-Multigraph Corp. v. Cooper (C. A. 2), 159 F. 2d 483	8, 13, 16
All v. All, 250 F. 120	11
Bresnick v. U. S. Vitamin, 139 F. 2d 239	3
Crane Boom Life Guard Co., Inc., et al. v. Saf-T-Boom Corp. et al., 362 F. 2d 317	3
Johnson Farebox Co. v. National Rejectors, 269 F. 2d 348	16
Lawrence Mfg. Co. v. Jamesville Cotton Mills, 138 U. S. 552	11

Mercoid Corp. v. Mid-Continent Investment Co., 320 U. S. 661 17

Rota-Carb v. Frye Mfg. Co., 313 F. 2d 443 10

Sears, Roebuck & Co. v. Stiffel Co., 376 U. S. 225 ... 19

United States v. International Building Co., 345 U. S. 502 ..... 8, 11

Walker Process Equipment, Inc. v. Food Machinery and Chemical Corp., 382 U. S. 172 10

West Point Mfg. Co. v. Detroit Stamping Co., 222 F. 2d 581 20

Statutes Cited.

28 U. S. C. 1254 2

35 U. S. C. 102 (b) 2, 3

35 U. S. C. 282 ..... 2, 3, 15, 18

Texts Cited.

97 L. ed. 1188, 1191, "Annotation: Res judicata as affected by fact that former judgment was entered by agreemnt or consent" 12, 15

1B Moore's Federal Practice 4022 15

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1966.

No. .....

CRANE BOOM LIFE GUARD CO., INC., MEL EPPERSON, FREDA EPPERSON, C. E. HAILE, PAULINE HAILE, OSRO COBB, C. H. SANSOM and S. A. COFFEY,
Petitioners,

vs.

SAF-T-BOOM CORPORATION, C. H. EARL and ARTHUR J. THOMAS,
Respondents.

PETITION FOR A WRIT OF CERTIORARI

To the United States Court of Appeals for the Eighth Circuit.

Petitioner prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Eighth Circuit entered in the above entitled cause.

OPINIONS BELOW.

The opinion of the United States Court of Appeals for the Eight Circuit, reported at 362 F. 2d 317, 150 USPQ 334, is appended hereto as Appendix A. The Decree thereupon appears as Appendix B. The Consent Decree entered May 31, 1962 (R. 1, 2), appears as Appendix C.

Memorandum Opinion of District Court, not reported (R. 169) is Appendix D; Supplemental Decree of the District Court is Appendix E.

JURISDICTION.

The opinion of the United States Court of Appeals for the Eighth Circuit was delivered and filed on June 30, 1966. The time to file Petition for Writ of Certiorari was extended by Order entered September 23, 1966, to and including November 25, 1966.

The jurisdiction of this Court is invoked under 28 U. S. C. 1254.

QUESTIONS PRESENTED.

Whether a Consent Decree, bottomed upon a patent manifestly invalid and obtained by fraud upon the Patent Office, which Decree did not adjudicate either infringement or validity of the Patent may be enforced in a contempt proceeding against parties foreign to the original proceeding.

Whether a patent, No. 2,950,016, manifestly invalid for violating the Patent Statutes and obtained by fraud upon the Patent Office may be enforced under any guise.

Whether a patent, No. 3,100,575, first raised in an ancillary proceeding and against which no prior art or notice of prior evidence to be relied upon has been cited may be invalidated by the Trial Court.

Whether copying the functional features, only, of a competitive device comprises unfair competition.

STATUTES INVOLVED.

The pertinent statutes involved comprise Title 35, U. S. C., Section 102 (b) and Section 282. These sections as here pertinent are as follows:

35 U. S. C., § 102:

§ 102, Conditions for Patentability, novelty and loss of right to patent.

"A person shall be entitled to a patent unless
* * *

(b) the invention was patented or described in a printed publication in this or a foreign country more than one pear prior to the date the application for a patent in the United States * * *."

35 U. S. C., § 282:

§ 282, Presumption of validity: Defenses.

A patent shall be presumed to be valid. The burden of establishing validity shall rest on the party asserting it.

The following shall be defenses in any action involving * * * infringement of a patent and shall be pleaded.

* * * * * * * *

(2) Invalidity of the patent or any claim in suit on any grounds specified in II of this title as a condition for patentability.

STATEMENT OF THE CASE.

An invalid patent "should not remain in the art as a scarecrow" (Learned Hand, J., in Bresnick v. U. S. Vitamin, 139 F. 2d 239, 242 (C. A. 2, 1943)).

This case comes here for review of the decree of the U. S. Court of Appeals for the Eighth Circuit in Action No. 18,209, Crane Boom Life Guard Co., Inc., et al. v. Saf-T-Boom Corporation et al., a copy of which it attached hereto as Appendix B.

This decree was entered pursuant to the opinion of the Court of Appeals for the Eighth Circuit which is annexed

as Appendix A. The supplemental decree of the District Court to which the Court of Appeals decree refers is reproduced at R. 176 and the Memorandum opinion of District Court upon which the supplemental decree is based is reproduced at R. 169.

In April, 1952, Arthur J. Thomas and Gordon I. Zane filed application for patent for a protective device for the booms of cranes and the like identical with the device defined in Claims 1, 4, 6 and 7 of the patent 2,950,016[1] and as exemplified by Ex. 110, R. 55, 196; that application did not mature into any patent nor into patent 2,950,016 here in issue. A manufacturing contract was entered (Ex. 113, R. 201) for the manufacture and offer for sale of the device. The contractors distributed a brochure (Ex. 114, R. 202) having pictures and drawings thereon indicating the Crane Boom Guard of Thomas and Zane and its application to the crane boom, during 1952-3-4 (R. 96). Royalties were paid to Thomas and Zane during 1952-3-4-5 upon the sales of the device (R. 99). These devices embraced and included each and every element of construction, application and functional use as set forth in Claims 1, 4, 6 and 7 of Thomas patent 2,950,016.

Included among such sales are the Phelps Dodge transaction in 1953 [Bryant deposition and Exhibits (R. 88-91), Sparkman deposition (R. 92-94)]. The device was advertised in the exhibits of record, Excavating Engineer Magazine, pages 42, 43 and 44 (Ex. 111, R. 197), Western Construction Magazine, July, 1952, page 73 (Ex. 112, R. 20).

In 1957, five years after the initiation of the publicity, Thomas acquainted respondent Earl with the device and his success in the sale thereof in the earlier venture and

1 The present inquiry was specifically limited to the validity of Thomas patent 2,950,016 Claims 1, 4, 6 and 7 (R. 41).

furnished Earl with copies of the articles from the magazines (Ex. 111, 112; R. 49, 138, 197-200). Respondent Earl supervised the preparation of an application for patent which was executed by Thomas in 1958. In this application no disclosure was made of the prior public use and sales or of the prior publications (R. 76, 138, 139, 143). Upon this 1958 application, Thomas patent here in question, 2,950,016, was ultimately issued by the Patent Office. No disclosure of the prior public use was made either in the original application papers and oath as signed by the purported inventor Thomas or during the prosecution of the case, despite the knowledge of the persons supervising the same. Respondent Thomas assigned the application which matured into Patent 2,950,016 to Saf-T-Boom Corporation, Inc.

Crane Boom Guard Co., Inc.,[2] began the manufacture of Boom Guards of the Thomas type and infringement action was filed by Saf-T-Boom, naming Crane Boom Guard Co., Inc., H. P. Merritt, Jr., S. A. Coffey and Arthur J. Thomas as defendants.[3]

During the course of the trial of the action filed by Saf-T-Boom and before reception of evidence as to invalidity of the Thomas patent, the trial was concluded with a Consent Decree (R. 1). The pertinent portion of the Consent Decree reads as follows:

> "It is therefore considered, ordered, adjudged and decreed by the court in accordance with the agreement and consent of parties announced to the court that the defendants and each of them be and they

2 This corporation is not to be confused with the petitioner herein Crane Boom Life Guard Co., Inc.

3 Of these named parties, Crane Boom Guard Co., Inc. is not now existent. Merritt has no interest with the matter and is not a party herein. Arthur J. Thomas, an original defendant aligned with Crane Boom Guard Co., Inc., is a defendant and respondent in the present petition. Coffey is the only one of the original parties who is a petitioner herein.

hereby are permanently enjoined from infringing U. S. Patents Nos. 2,950,016 and 2,988,195.''[4]

No mention or finding as to validity of the Thomas patent appears in the Consent Decree. No mention or finding as to infringement of the Thomas patent appears in the Consent Decree. The nature of the agreement has been found by the district court in a subsequent proceeding.[5] The finding as to the agreement of the parties appears (R. 7), the court stating ''there is no dispute as to the terms of the agreement.'' As is apparent from the agreement so found and defined by the District Court there is no stipulation or agreement as to the validity of the Thomas patent[6] and the Consent Decree recording the agreement of the parties makes no finding as to infringement of the Thomas patent.[7] It also appears (R. 12) that the parties refused to sign a proffered agreement which referred to infringment as they ''were unwilling to sign anything that they thought might be construed as an admission of past infringement'' (R. 12).

Petitioner Coffey filed an application for an improved Crane Boom Life Guard which was pending at the time of the hearing of the motion under Rule 60 (R. 8) and which matured in the Coffey patent 3,100,575 issued August 13, 1963. He was advised by his engineer consultant that his device did not appear to infringe the Thomas patent (R. 158, 159).[8] A new corporation entitled Crane Boom Life Guard Co., Inc. (hereinafter Life Guard),

---

4 Patent 2,989,141 is not now involved, the inquiry having been limited to Patent 2,950,016 (R. 41).

5 Motion under Rule 60 (b) filed November 13, 1962.

6 The District Court recognized the absence of finding of validity (R. 174): "It is true that the Consent Decree in this case does not in terms say that the Thomas patents are valid.

7 The District Court pointed out (R. 13): "It will be noted in this case that the decree contains no finding or recitation of past infringement."

8 This advice was apparently confirmed by Saf-T-Boom expert witness Meirkreebs (R. 122, 123).

received an assignment of the Coffey patent and began manufacture of Boom Guards in accordance with the details of the Coffey patent.

An affidavit for order to show cause (R. 14) was presented to the District Court by Saf-T-Boom; subsequently, an order to show cause was filed herein naming as parties the present petitioners.[9] Petitioners herein filed a third party complaint for a declaratory judgment of the invalidity of Thomas patent 2,950,016 (R. 20-29).

This cause came on for hearing upon the third party complaint and upon the stipulation restricting the question to the matter of validity of Thomas patent 2,950,016, claims 1, 4, 6 and 7, in the course of which the complete disclosure of the prior public use, sales and prior publication of the device defined in claims 1, 4, 6 and 7 of Thomas 2,950,016 were shown. The testimony to this effect begins at R. 61 and is particularly characterized by Ex. 111, R. 197, Ex. 112, R. 200, Ex. 114, R. 202.[10]

This hearing fully developed prior public use of the device of Thomas patent 2,950,016, many years prior to the filing of the application (1958) which matured into this patent, that there was no disclosure of this prior use to the Patent Office at the time of the filing of the application by respondent Thomas which matured into the patent in question; that there was no disclosure by him or by respondent Earl to the Patent Office of the details of the prior publications during the prosecution of the application and prior to its maturity into Patent 2,950,016; and there was no evidence introduced respecting the invalidity of Coffey patent 3,100,575.[11]

---

9 No process has been issued upon the Consent Decree in this action for serving a writ of injunction upon any of the petitioners herein.

10 Ex. 114 is erroneously shown in the index of the record at Page 114 whereas it actually appears at Page 202.

11 It will also be noted that there was no notice of the introduction of any evidence relating to the validity of the Coffey patent prior to the above mentioned hearing.

After the conclusion of the hearing, the District Court entered decree maintaining the prior proceedings and (1) ignoring the evidence introduced at the hearing of the invalidity of Thomas patent 2,950,016 on account of the prior public use, sales and publications; (2) ignoring the evidence of the fraud practiced upon the Patent Office in the obtaining of the Thomas patent; (3) gratuitously and without any apparent evidence holding Coffey patent 3,100,575 invalid. The apparent basis of the Court's conclusion and the concurrence of the Court of Appeals was that the parties (here the petitioners) were barred on account of the Consent Decree from raising an attack against the Thomas patent.

The District Court and the Court of Appeals have thus placed their imprimatur upon a worthless patent contrary to public policy and to the public interest in the validity of patents and have thus defined a compromise of the patent system and these decisions are directly in conflict with the opinion of the U. S. Court of Appeals for the Second Circuit in **Addressograph-Multigraph Corp. v. Cooper** (C. A. 2), 159 F. 2d 483, and the opinion of the U. S. Supreme Court in **United States v. International Building Co.**, 345 U. S. 502.

REASONS FOR ALLOWANCE OF THE WRIT.

I.

The failure of an applicant for patent at the time of his application to disclose to the Patent Office his own prior public uses of the identical device and prior publications illustrating, showing and describing the identical device and the failure of the assignee of such an application having knowledge of such prior uses and prior publications to disclose the same to the Patent Office during the prosecution of the application, practices a fraud upon the Patent Office and the patent issued upon such an ap-

plication results from fraud upon the Patent Office so as to render that patent unenforceable.

A consent decree entered in an action based upon such a patent which consent decree does not adjudicate the validity of the patent and which consent decree does not adjudicate infringement of the patent, particularly where the parties to the consent decree specifically refused to agree to any admission of past infringement should not be enforced in a contempt proceeding particularly against persons who were not parties to the consent decree and who did not participate in the agreement of the parties which led to the consent decree.

In the present case respondent Thomas jointly with Gordon L. Zane (not a party to this action) on April 15, 1952, filed application for patent upon the boom guard of the present inquiry (Ex. 110, R. 55, 57, 196). This device is identical with the device defined in Claims 1, 4, 6 and 7 of Patent 2,950,016 in issue (R. 41). The device was sold, advertised for sale and put into public use (R. 57, Ex. 113, R. 201, R. 95, 96). An advertising brochure (Ex. 114, R. 202) was issued for advertising the offer for sale of the Crane Boom Guard. During the years 1952, 1953 and 1954 (R. 96) the advertisement was widespread publicly distributed and royalties were paid to respondent Thomas and Zane upon the sales of the device (R. 99). As to the sales of the device and their identity with the device of the present patent, see Bryant deposition R. 81-91, Sparkman deposition R. 92-94 and R. 98-99. A complete description and publication of the device was made in February, 1953, **Excavating Engineer Magazine**, Pages 42, 43 and 44 (Ex. 111, R. 197) and **Western Construction Magazine**, July, 1952, Page 73 (Ex. 112, R. 200).

In 1957, long after abandonment of the Thomas and Zane joint application, respondent Thomas furnished respondent Earl with copies of the magazine articles, Exhibits 111, 112, and thereafter, under the supervision of

Respondent Earl, Respondent Thomas executed and swore to a sole application for patent stating there was no prior use or sale and no prior publications of the claimed invention. This application was filed in the Patent Office January 24, 1958, and ultimately matured into Patent No. 2,950,016, with which we are concerned. This filing date was not only more than one year but was more than several years after the prior public use and sales and the prior publications of the device involved therein. Respondent Earl representing the assignee Respondent Saf-T-Boom was advised of the prior public use and sales and the prior publications but at no time during the prosecution of the application or in the preparation thereof was there any disclosure made to the Patent Office of the existence of this prior public use.

The patent is thus manifestly invalid on account of the prior public use and sales and prior publications substantially more than one year prior to the date and the filing of the application which matured into the patent and in addition its enforceability is barred because of

> "the far reaching social and economic consequences of a patent therefor give the public a paramount interest in seeking that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope" (**Walker Process Equipment, Inc. v. Food Machinery and Chemical Corp.**, 382 U. S. 172, 15 L. Ed. 2d 247, 251).

As otherwise stated in Rota-Carb v. Frye Mfg. Co., 313 F. 2d 443, 136 USPQ 507 (C. A. 8):

> "It must be remembered that the public is a silent but an important and interested party in all patent litigation and is **entitled to protection against the monopolization of what is not lawfully patentable**" (Emphasis supplied).

There is no showing that the Consent Decree in this cause was upon the merits. Instead the record shows and supports the fact that the Consent Decree was based upon collateral consideration for the purpose of freeing the parties from litigation. Thus the situation is somewhat like that which reached the U. S. Supreme Court in **United States v. International Building Co.**, 345 U. S. 502, 97 L. Ed. 1182, where the Court stated (345 U. S. 505, 506):

> **"As the case reaches us we are unable to tell whether the agreement of the parties was based on the merits or on some collateral consideration * * * unless we can say that they were an adjudication of the merits the doctrine of estoppel by judgment would serve an unjust cause. It would become a device by which a decision not shown to be on the merits would forever foreclose inquiry into the merits. * * *** A judgment entered with the consent of the parties may involve a determination of questions of fact and law by the court. But unless a showing is made that that was the case, the judgment has no greater dignity so far as collateral estoppel is concerned, than any judgment entered only as a compromise by the parties" (Emphasis supplied).

See also **Lawrence Mfg. Co. v. Jamesville Cotton Mills**, 138 U. S. 552:

> "that a court of equity has a right to decline to treat a Consent Decree as res judicata as such a decree is the **consequence of the consent** and not of the judgment of the court" (Emphasis supplied).

And see **All v. All**, 250 F. 120, which states that a Consent Decree is:

> "practically nothing more than a contractual matter between the parties."

In 97 L. Ed. 1188 beginning at 1191, a text annotation on the subject appears. There it is stated:

"(1) A judgment entered by agreement or consent should not be given a conclusive effect where to do so would violate an important public policy.

"(2) The extent to which a judgment or decree entered by consent is conclusive in a subsequent action **should be governed by the intention of the party that is expressed in the agreement which is the basis of the judgment** and gathered from circumstances rather than by a mechanical application of the general rules governing the scope of estoppel by judgment. It is obvious that a party may consent to a judgment for the purpose of securing freedom from litigation and may nevertheless not be willing to bind himself for other, perhaps more important, issues which may arise subsequently. And in particular, it seems that, in the absence of an unambiguous agreement of the parties to the contrary, a judgment by consent does not operate as a collateral estoppel as to questions of fact or law involved in the litigation so as to preclude the parties from litigating the same questions * * * (Emphasis supplied).

"(3) Generally speaking a judgment or decree entered by agreement or consent should be conclusive only upon the parties or privies of parties to the agreement and judgment. It should not be binding upon other persons even though such other persons would be bound by the judgment or decree had it been entered after contest."

The same text annotation, 97 L. Ed. at page 1194, continues and states:

"On the other hand a consent judgment or decree has not been given the effect of res adjudicata where

> giving it such an effect would establish as valid a patent which but for the res adjudicata effect of the consent decree would be invalid." (Emphasis supplied.)

In this situation there is no unambiguous agreement of the parties expressing in any manner their intent to agree either to the validity of Thomas Patent 2,950,016 or to the question of prior infringement thereof. This Thomas Patent is plainly and manifestly invalid on account of the prior public use, prior offers for sale, prior sales of the device and the prior publications illustrating and describing the device several years prior to the date of filing the application that matured into this patent. The Thomas Patent plainly should be invalid.

The Consent Decree here does not purport to adjudicate either infringement of the patent or validity of the patent and is relied on as a bar to an attack upon the validity of the patent to the detriment not only of the present Petitioners, particularly those who are not parties to the prior Consent Decree or to any agreement that led up to that Consent Decree or to the litigation in which the Consent Decree was entered, but also to the remainder of the public.

The decision of the Eighth Circuit Court of Appeals in the present case appears in effect to be in direct conflict with the decision of the Court of Appeals for the Second Circuit in **Addressograph-Multigraph Corp. v. Cooper**, 156 F. 2d 483. There the court stated, 156 F. 2d at 484:

> "At the trial of the present suit in the court below the Plaintiff-Appellant contended that the Consent Decree in the former suit estopped all the defendants from contesting the validity of the patent. * * * the court below concluded that the Consent Decree in the prior suit was invalid as a matter of law for the reason that infringement was not adjudicated therein,[12]

[12] Compare the present Consent Decree (R. 1) and (R. 13).

and hence that it did not estop any of the defendants from later contesting the validity of the patent. It found that there was no trial in the former suit nor any adjudication therein on the merits as to the validity of the patent,[13] that the Consent Decree although it did not give the defendant any relief provided for the payment of costs to them * * * 'on the contrary it found' the evidence discloses that the defendants rejected a proposed Consent Decree submitted by the Plaintiff to them because it contained an allegation that they infringed the patent.[14] The Consent Decree, therefore, submitted by the Plaintiff to Defendants and signed by them does not contain any allegation of infringement. And it found 'if Defendants in the prior suit did not infringe at the time that said Decree was entered, they were not seriously interested in any adjudication of validity of the Patent.' On these findings the Court below concluded that a Consent Decree in the prior suit adjudicating the patent to be valid cannot be sustained. In other words, the Court below held as a general proposition of law that an adjudication of the validity of a patent unless accompanied by an adjudication of infringement is invalid and will not estop a defendant from later contesting the validity of the same patent in another suit for infringement brought by the same plaintiff.

"We agree with the District Court that the issue of infringement was not adjudicated one way or another by the decree of the former suit and although no case directly in point has come to our attention we also agree with the District Court that on grounds of public policy such a decree should not estop." * * *

---

13 See Consent Decree (R. 1); District Court Memorandum (R. 174).

14 See District Court Memorandum (R. 12): "They refused to sign the first proffered agreement * * * it referred to infringement * * * and for reasons appearing from the evidence * * * were unwilling to sign anything which they thought might be construed as an admission of past infringement."

(485):

"* * * But even though we can only say that the Consent Decree left the issue of infringement without adjudication, nevertheless we think on grounds of public policy we ought to rule and that in a decree, at least in one entered by consent, either an adjudication of infringement or a grant of some relief from which infringement may be inferred is essential before any effect of res adjudicata can be given to it on the issue of validity. In other words, we think the **public interest in the judicial determination of the invalidity of a worthless patent is great enough to warrant the conclusion that a defendant is not estopped by a decree of validity at least when the decree was by consent,** unless it is clear that in the litigation resulting in the decree the issue of validity was genuine." (Emphasis supplied.)

In the text annotation, 97 L. Ed. at 1195, 1196, it is stated:

"A judgment or decree entered by consent is not pronounced by the court in the exercise of its judicial function but is merely an administrative act recording the agreement of the parties and that no disputed acts are judicially determined thereby."

In **1B Moore's Federal Practice, page 4022,** it is said:

"Collateral estoppel in its usual connotation should not result in the consent judgment because a requisite litigation and judicial determination of issues are not normally present, but on the other hand we believe that preclusion ought to result from a judgment on an agreement **to the extent that the parties agree to be precluded.**" (Emphasis supplied.)

This action, based upon the Consent Decree (R. 1, 2), is essentially an action involving infringement of a Patent. According to **35 U. S. C. 282,** it is stated:

"The following shall be defenses in any action involving * * * infringement of a patent, and shall be pleaded:

"(1) * * *

"(2) Invalidity of the patent or any claim in suit on any grounds specified in II of this Title as a condition for patentability."

The parties have in no manner precluded themselves with respect to the validity of the patent. The Consent Decree makes no mention of it; the parties who are here petitioners were not parties to the original Consent Decree with the exception of the Petitioner Coffey, and the mandatory statutory defense plainly appears applicable.

It is axiomatic that an invalid patent cannot be infringed. For example, see **Johnson Farebox Co. v. National Rejectors**, 269 F. 2d 348, 122 USPQ 550 (CA 8). The Record plainly shows the invalidity of Thomas 2,950,016 on account of the prior public use, offers for sale and sales, as well as printed publications, of the device defined in the claims of that patent.

In addition, the Applicant for that patent was a participant in, and well knew, the prior public use and the prior publications as well as the prior sales (he received royalties therefrom) yet swore to the Patent Office that there were none such prior to the time of the application which matured into the patent here in question. This is a fraud on the Patent Office and should render the patent completely unenforceable in the public interest and as a matter of public policy, and, in view of all the circumstances present, Petitioners should not be estopped by the Consent Decree here involved.

As said in **Addressograph-Multigraph Corp. v. Cooper**, C. A. 2, 156 F. 2d 483, 485:

"the public interest in a judicial determination of the invalidity of a worthless patent is great enough

to warrant the conclusion that a defendant is not estopped by a decree of validity, at least when the decree was by consent, * * *."

This is entirely consistent with the principle enunciated by the Supreme Court in **Mercoid Corp. v. Mid Continent Investment Co.**, 320 U. S. 661:

"The patent is a privilege, but it is a privilege which is conditioned by a public purpose."

For these reasons it is believed that the present Petition should be granted and a Writ of Certiorari allowed.

II.

A patent should not be gratuitously declared invalid by a district Court where no denial of validity was presented by the opponent thereof in pleadings, no evidence or notice otherwise of any other prior art or patents or prior public uses of the device of the patent were pleaded or proved, and where there was no stipulation of the parties regarding the invalidity of that patent.

Coffey Patent 3,100,575 was held invalid in Supplemental Decree of the District Court as well as Memorandum Opinion of the District Court (R. 174, R. 177). This patent was issued upon an application filed by Petitioner Coffey, after the entry of the Consent Decree, and issued August 13, 1963 (Ex. 106, R. 193). This patent was declared upon (R. 127) against the Respondents herein in the Third Party Complaint filed May 4, 1964. This Complaint was responded to by Answer filed May 14, 1964 (R. 34 et seq.).

Nowhere in this Answer is there any allegation attacking the validity of the Coffey Patent. Nowhere in the Record or the Pleadings is there any notice of evidence of prior uses, sales, publications or prior art noticed to be relied upon as affecting the validity of the Coffey Patent.

No evidence was introduced on the hearing which related to the validity of the Coffey Patent.

35 U. S. C., § 282, provides in part as follows:

> "§ 282 Presumption of Validity; Defenses.
>
> "A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.
>
> * * * * * * *
>
> "In action involving the validity or infringement of a patent the party asserting invalidity or non-infringement shall give notice in the pleading or otherwise in writing to the adverse party at least 30 days before the trial of the Country, number, date and name of the patentee of any patent, the title, date, and page numbers of any publication to be relied upon as anticipation of the patent in suit, or * * *, as showing the state of the art, and the name and address of any person who may be relied upon as the prior inventor or as having prior knowledge of, or as having previously used or offered for sale the invention of the patent in suit. In the absence of such notice proof of said matters may not be made at the trial except on such terms as the court requires."

Although none of these prerequisites were satisfied and no evidence applied to the Coffey Patent 3,100,175 introduced in the trial, the Court stated (R. 174; Appendix D):

> "As stated, the Court finds that the Coffey device infringes the Thomas Patents. It follows from that finding that the Coffey Patent is itself invalid. That invalidity follows as a matter of course if the validity of the Thomas Patents is assumed."

Coffey Patent (Ex. 106, R. 193) comprises but a single relatively detailed claim (R. 195) which includes many

structural features that enter into its operational status which do not appear either in the Saf-T-Boom devices or in the Thomas Patent, or in any of the Publications that are here involved. These details included in the combination of that claim show: the heavy steel tubes with upturned hooks; the details of the positioning of the upturned hooks; the diagonally disposed bracing; the shape of the front intermediate member; the positioning of the porcelain insulators; the Micarta sheave and its mounting; and finally, and perhaps more importantly, the rubber shock absorbing mount on the porcelain insulators. None of these elements appear to relate to any of the elements shown in Thomas 2,950,016 nor in the prior publications which invalidate the Thomas Patent.

It is believed, therefore, on the Record, that the holding of the District Court, affirmed by the Court of Appeals, that the Coffey Patent is invalid, was gratuitously but erroneously inserted in the Decree and Opinion, and for this reason it is believed that the Petition should be granted and the Writ of Certiorari be allowed.

III.

Copying of the functional features of a competing device does not comprise unfair competition.

Apparently the only basis of the District Court holding unfair competition between Saf-T-Boom and Crane Boom Life Guard resides in the similarity and appearance of the physical functional features of the two devices, and in the similarity of advertising material showing these functional features. This may be competition, but it is not believed to be unfair competition. This Court, in **Sears Roebuck & Company v. Stiffel Company**, 376 U. S. 225, where the device in question had been copied in its exact commercial identity by the defendant, held:

"What Sears did was to copy Stiffel's design and to sell lamps almost identical to those sold by Stiffel. This it had every right to do under the Federal Patent Laws, that Stiffel originated the pole lamp and made it popular is immaterial."

An apt statement appears in **West Point Manufacturing Company v. Detroit Stamping Co.**, 222 F. 2d 581:

"The identical imitation of the goods of another does not in itself constitute unfair competition. 'The privilege to engage in business and to compete with others implies a privilege to copy or imitate the physical appearance of another's goods. The public interest in competition ordinarily outweighs the interest in securing to a person the rewards of his ingenuity in making his product attractive to purchasers, but the privilege to imitate may be limited by legislative enactment. Thus in order to encourage invention or art a patent or copyright may for a limited period of time protect one's interest in the physical appearance of his goods.'"

The crux of the matter is that if a competitor desires to copy a manufacturer's device he runs the risk of infringing the manufacturer's patent. This is legislative enforcement. Even if he copies it identically and even if it is an infringement of an existing valid patent this still is not unfair competition under the common law of unfair competition.

It is asserted that the imitation of a product insofar as the common law principles of unfair competition are concerned is not unfair competition where it is limited to the physical functional features of the manufacturer's device. Such is here the situation. The Record has been carefully examined and we can find no evidence in the Record as to copying by the Petitioners herein of any non-functional distinctive feature of the Respondents' device which

might have come to be recognized as an indicia of the source of origin of that product. We repeat that this does not spell unfair competition. Whether or not it spells patent infringement under a legislative enactment is a completely separate question.

For the foregoing reason it is submitted that the Petition should be granted and the Writ of Certiorari allowed.

CONCLUSION.

For the foregoing reasons it is submitted that the Petition should be granted and the Writ of Certiorari allowed in this Action.

In the first instance, there is a Patent which is manifestly invalid on account of the proven prior public uses, prior public sales, prior publications, long prior to the filing of the application for patent. Although known to the applicant for the patent here in question, no disclosure was made to the Patent Office either by him or by his assignee of these facts. The manifestly invalid patent was obtained by the practice of a fraud on the Patent Office. The existence of this Patent upon the patent records is contrary to public policy and contrary to the public interest.

The Consent Decree upon which reliance is made by Respondents does not represent any finding or agreement as to infringement of Thomas patent 2,950,016, and does not include any agreement or finding as to the validity of that patent. The Parties Petitioner herein were not parties to the original Decree or to the agreement which led to the original Consent Decree. It is urged that no estoppel should be effective against the present Parties Petitioner on the basis of the aforesaid Consent Decree or in the present proceedings.

No valid evidence was pleaded or proved and no facts alleged contrary to the validity of Coffey Patent 3,100,175.

The gratuitous holding of invalidity of that Patent should be set aside.

The device of Petitioners herein incorporates no non-functional feature of the device of Respondents. The adoption of a device which incorporates only the functional features of a competing device is not unfair competition. The holding of the District Court in this respect should be set aside.

It is respectfully urged that this Petition for Writ of Certiorari should be granted and the Writ allowed in order that this Court may properly make declaration for the correction of the manifest errors involved.

Respectfully submitted,

OSRO COBB,
Tower Building,
Little Rock, Arkansas,
Counsel for Petitioners.

J. HEISKELL WEATHERFORD, JR.,
1438 Commerce Title Building,
Memphis, Tennessee,
Associate Counsel for Petitioners.